

# Annexures to the Directors's Report

## Annexure 1 to Director's Report

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on March 31, 2019

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration ) Rules, 2014.

### I REGISTRATION & OTHER DETAILS

i	CIN	L17120DN1994PLC000387
ii	Registration Date	November 29, 1994
iii	Name of the Company	Emmbi Industries Limited
iv	Category/Sub-category of the Company	Company limited by shares Indian Non-Government Company
v	Address of the Registered office & contact details	99/2/1 & 9, Madhuban Industrial Estate, Madhuban Dam Road, Rakholi Village, U. T. of Dadra & Nagar Haveli, Silvassa 396 230, India, Tel. No.: +91 (0260) 320 0948
vi	Whether listed company	Yes, Listed on BSE Limited & National Stock Exchange of India Limited (NSE)
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any	Datamatics Financial Services Limited (Formerly known as Datamatics Financial Services Limited) Plot No. B-5, Part B Crosslane, MIDC, Marol, Andheri (East), Mumbai 400 093. Tel: 022 - 66712151-56. Fax: 022 - 66712161. Email: investorsqry@dfssl.com

### II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Manufacture of plastics products	222	98.61%
2	Trading of plastics products	479	1.39%

### III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

SL No	Name & Address	CIN/GLN	HOLDING/SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Gloal Bag s.r.o Oblekovice 355, 671 81 ZNOJMO, Czech Republic	NA	Associate	25.00	2(6)

### IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

#### (i) CATEGORY-WISE SHAREHOLDING

CATEGORY OF SHAREHOLDERS	NO OF SHARES HELD AT THE BEGINNING OF THE YEAR				NO OF SHARES HELD AT THE END OF THE YEAR				% CHANGE DURING THE YEAR
	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(viii)	(ix)	(x)	(xi)
<b>A. PROMOTER AND PROMOTER GROUP</b>									
(1) Indian									
a) Individual/HUF	74,97,721.00	-	74,97,721.00	42.38	75,01,721.00	-	75,01,721.00	42.40	0.02
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	27,24,300.00	-	27,24,300.00	15.40	27,24,300.00	-	27,24,300.00	15.40	-
e) Bank/Financial Institutions	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (1)	1,02,22,021.00	-	1,02,22,021.00	57.78	1,02,26,021.00	-	1,02,26,021.00	57.80	0.02

CATEGORY OF SHAREHOLDERS		NO OF SHARES HELD AT THE BEGINNING OF THE YEAR				NO OF SHARES HELD AT THE END OF THE YEAR				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(2)	Foreign									
	a) NRI- Individuals	-	-	-	-	-	-	-	-	-
	b) Other Individuals	-	-	-	-	-	-	-	-	-
	c) Bodies Corporate	-	-	-	-	-	-	-	-	-
	d) Bank/Financial Institutions	-	-	-	-	-	-	-	-	-
	e) Any Other	-	-	-	-	-	-	-	-	-
	SUB TOTAL (A)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)		1,02,22,021.00	-	1,02,22,021.00	57.78	1,02,26,021.00	-	1,02,26,021.00	57.80	0.02
<b>B. PUBLIC SHAREHOLDING</b>										
(1)	Institutions									
	a) Mutual Funds	-	-	-	-	-	-	-	-	-
	b) Bank/Financial Institutions	12,177.00	-	12,177.00	0.07	4,925.00	-	4,925.00	0.03	(0.04)
	c) Central Government	-	-	-	-	-	-	-	-	-
	d) State Government(s)	-	-	-	-	-	-	-	-	-
	e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
	f) Insurance Companies	-	-	-	-	-	-	-	-	-
	g) Foreign Institutional Investors/ Foreign Portfolio Investors	2,71,058.00	-	12,71,058.00	7.19	12,22,653.00	-	12,22,653.00	6.91	(0.28)
	h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
	i) Any Other	-	-	-	-	-	-	-	-	-
	SUB TOTAL (B)(1)	12,83,235.00	-	12,83,235.00	7.26	12,27,578.00	-	12,27,578.00	6.94	(0.32)
(2)	Non Institutions									
	a) Bodies Corporate	-	-	-	-	-	-	-	-	-
	i) Indian	8,54,578.00	-	8,54,578.00	4.83	9,39,676.00	-	9,39,676.00	5.31	0.48
	ii) Overseas	-	-	-	-	-	-	-	0.00	0.00
	b) Individuals									
	b(i) Individual shareholders holding nominal share capital upto Rs.2 lakhs	39,85,517.00	10.00	39,85,527.00	22.53	39,54,169.00	10.00	39,54,179.00	22.35	(0.18)
	b(ii) Individuals shareholders holding nominal share capital in excess of Rs. 2 lakhs	10,64,838.00	-	10,64,838.00	6.02	10,17,308.00	-	10,17,308.00	5.75	(0.27)
	c) Any Other									
	i) NRI Rep	98,395.00	-	98,395.00	0.56	1,30,158.00	-	1,30,158.00	0.74	0.18
	ii) NRI Non-Rep	1,58,171.00	-	1,58,171.00	0.89	1,68,240.00	-	1,68,240.00	0.95	0.06
	iii) Foreign Bodies	-	-	-	-	-	-	-	-	-
	iv) Foreign National	-	-	-	-	-	-	-	-	-
	v) Trusts	6,436.00	-	6,436.00	0.04	6,436.00	-	6,436.00	0.04	0.00
	vi) Clearing Member	16,174.00	-	16,174.00	0.09	6,733.00	-	6,733.00	0.04	(0.05)
	vii) Any Other	875.00	-	875.00	-	13,921.00	-	13,921.00	0.08	0.08
	TOTAL (B)(2)	61,84,984.00	10.00	61,84,994.00	34.96	62,36,641.00	10.00	62,36,651.00	35.26	0.30
Total Public Shareholding (B)= (B)(1)+(B)(2)		74,68,219.00	10.00	74,68,229.00	42.22	74,64,219.00	10.00	74,64,229.00	42.20	(0.02)
Total (A+B)		1,76,90,240.00	10.00	1,76,90,250.00	100.00	1,76,90,240.00	10.00	1,76,90,250.00	100.00	-
<b>C. SHARES HELD BY CUSTODIAN FOR GDRS &amp; ADRS</b>		0	0	0	0.00	0	0	0	0.00	0
<b>Grand Total (A+B+C)</b>		<b>1,76,90,240.00</b>	<b>10.00</b>	<b>1,76,90,250.00</b>	<b>100.00</b>	<b>1,76,90,240.00</b>	<b>10.00</b>	<b>1,76,90,250.00</b>	<b>100.00</b>	<b>(0.00)</b>

## (ii) SHARE HOLDING OF PROMOTERS

SL NO	SHAREHOLDER'S NAME	SHAREHOLDING AT THE BEGINNING OF THE YEAR			SHAREHOLDING AT THE END OF THE YEAR			% CHANGE IN SHAREHOLDING DURING THE YEAR
		No. Of Shares	% of total of the company	% of shares pledged encumbered to total shares	No. Of Shares	% of total of the company	% of shares pledged encumbered to total shares	
1	Mr. Makrand M. Appalwar	38,25,150	21.62	-	38,25,150	21.62	-	0.00
2	Mrs. Rinku M. Appalwar	22,97,360	12.98	-	22,97,360	12.98	-	-
3	Emmbi Laboratories Pvt. Ltd.	16,63,100	9.40	-	16,63,100	9.40	-	-
4	Maithili Agrotech Pvt. Ltd.	10,61,200	5.99	-	10,61,200	5.99	-	-
5	Miss Maithili M. Appalwar	10,65,250	6.02	-	10,65,250	6.02	-	0.00
6	Mrs. Mitravinda M. Appalwar	2,38,311	1.35	-	2,38,311	1.35	-	-
7	Mr. Avinash R. Laddha	53,950	0.30	-	57,950	0.32	-	0.02
8	Mr. Prashant K. Lohiya	6,250	0.04	-	6,250	0.04	-	0.00
9	Mr. Kailashchandra B. Lohiya	4,550	0.03	-	4,550	0.03	-	-
10	Mrs. Sarla K. Lohiya	3,000	0.02	-	3,000	0.02	-	-
11	Mr. Sanjay R. Rath	2,100	0.01	-	2,100	0.01	-	-
12	Mrs. Sangeeta S. Rath	1,050	0.01	-	1,050	0.01	-	-
13	Mrs. Sushiladevi R. Rath	750	0.01	-	750	0.01	-	-
	Total	1,02,22,021	57.78	-	1,02,26,021	57.80	-	0.02

**(iii) CHANGE IN PROMOTERS' SHAREHOLDING ( SPECIFY IF THERE IS NO CHANGE)**

SL NO	NAME OF THE SHAREHOLDER	SHAREHOLDING AT THE BEGINNING OF THE YEAR		DATEWISE INCREASE/DECREASE IN THE SHAREHOLDING DURING THE YEAR SPECIFYING THE REASONS FOR INCREASE/DECREASE (E.G. ALLOTMENT/ TRANSFER/BONUS/ SWEAT EQUITY ETC)			CUMULATIVE SHAREHOLDING DURING THE YEAR (01/04/18 TO 31/03/19)	
		No. of shares at the beginning of the yr (01/04/18)/ end of the yr (31/03/19)	% of total shares of the Company	No. of shares	Reason	No. of shares	% of total shares of the Company	
1	Mr. Avinash R. Laddha	53,950	0.30	01.04.18				
				21.11.18	1,000	Buy	54,950	0.31
				22.11.18	3,000	Buy	57,950	0.32
		57,950	0.30	31.03.19			57,950	0.32

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)**

SL NO	NAME OF THE SHAREHOLDER	SHAREHOLDING AT THE BEGINNING OF THE YEAR		DATEWISE INCREASE/DECREASE IN THE SHAREHOLDING DURING THE YEAR SPECIFYING THE REASONS FOR INCREASE/DECREASE (E.G. ALLOTMENT/ TRANSFER/BONUS/ SWEAT EQUITY ETC)			CUMULATIVE SHAREHOLDING DURING THE YEAR (01/04/18 TO 31/03/19)	
		No. of shares at the beginning of the yr (01/04/18)/ end of the yr (31/03/19)	% of total shares of the Company	No. of shares	Reason	No. of shares	% of total shares of the Company	
1	Hidden Champions Fund	12,71,058	7.19	01.04.18				
				31.08.18	45,253	Sell	12,25,805	6.93
				07.09.18	2,025	Sell	12,23,780	6.92
				02.11.18	1,127	Sell	12,22,653	6.91
		2,22,653	6.91	31.03.19			12,22,653	6.91
2	ITHOUGHTWEALTHANALYTICS LLP	1,18,752	0.67	01.04.18				
				20.04.18	3,452	Buy	1,22,204	0.69
				27.04.18	16,513	Buy	1,38,717	0.78
				04.05.18	13,242	Buy	1,51,959	0.86
				11.05.18	5,921	Buy	1,57,880	0.89
				18.05.18	2,730	Buy	1,60,610	0.91
				08.06.18	12,595	Buy	1,73,205	0.98
				15.06.18	7,551	Buy	1,80,756	1.02
				22.06.18	491	Buy	1,81,247	1.03
				29.06.18	9,045	Buy	1,90,292	1.08
				06.07.18	6,500	Buy	1,96,792	1.11
				27.07.18	5,034	Buy	2,01,826	1.14
				03.08.18	15,284	Buy	2,17,110	1.23
				10.08.18	4,648	Buy	2,21,758	1.25
				24.08.18	22,670	Buy	2,44,428	1.38
				31.08.18	5,845	Buy	2,50,273	1.42
				07.09.18	8,913	Buy	2,59,186	1.47
				13.09.18	1,784	Buy	2,60,970	1.48
				14.09.18	2,000	Buy	2,62,970	1.49
				21.09.18	10,450	Buy	2,73,420	1.55
		28.09.18	2,035	Buy	2,75,455	1.56		
		08.03.19	2,250	Buy	2,77,705	1.57		
		2,77,705	1.57	31.03.19		2,77,705	1.57	
3	S. SHYAM	1,66,000	0.94	01.04.18				
				25.05.18	47,862	Buy	2,13,862	1.21
		2,13,862	1.21	31.03.19			2,13,862	1.21
4	AAKASH FILAMENTS PVT. LTD.	1,80,950	1.02	01.04.18				
						Nil movement during the year		
		1,80,950	1.02	31.03.19			1,80,950	1.02
5	ANDREY S PURUSHOTTAM	1,14,756	0.65	01.04.18				
						Nil movement during the year		
		1,14,756	0.65	31.03.19			1,14,756	0.65
6	MRUNALINI RAJESH PANDIT	99,575	0.56	01.04.18				
						Nil movement during the year		
		99,575	0.56	31.03.19			99,575	0.56

SL NO	NAME OF THE SHAREHOLDER SHAREHOLDING AT THE BEGINNING OF THE YEAR	No. of shares at the beginning of the yr (01/04/18)/ end of the yr (31/03/19)	% of total shares of the Company	DATEWISE INCREASE/DECREASE IN THE SHAREHOLDING DURING THE YEAR SPECIFYING THE REASONS FOR INCREASE/DECREASE (E.G. ALLOTMENT/ TRANSFER/BONUS/ SWEAT EQUITY ETC)	No. of shares	Reason	CUMULATIVE SHAREHOLDING DURING THE YEAR (01/04/18 TO 31/03/19)	% of total shares of the Company
7	VINAY GOPINATH PAI	1,08,000	0.61	01.04.18				
				01.03.19	1,000	Sell	1,07,000	0.61
				08.03.19	3,994	Sell	1,03,006	0.58
				15.03.19	4,328	Sell	98,678	0.56
		98,678	0.56	31.03.19			98,678	0.56
8	ASHOK MAGANLAL SHAH	97,376	0.55	01.04.18				
				15.03.19	500	Buy	97,876	0.55
				31.03.19			97,876	0.55
9	*UMAIYA TRADING PVT. LTD.	89,012	0.50	01.04.18				
				31.03.19		Nil movement during the year	89,012	0.50
10	*TRUSTLINE HOLDINGS PVT. LTD.	0	0.00	01.04.18				
				22.02.19	9,563	Buy	9,563	0.05
				01.03.19	8,707	Sell	856	0.05
				08.03.19	487	Buy	1,343	0.05
				15.03.19	1,343	Sell	-	0.00
				29.03.19	56,389	Buy	56,389	0.32
				31.03.19			56,389	0.32
11	#I M GLOBAL EQUITIES PRIVATE LIMITED	1,03,759	0.59	01.04.18				
				06.04.18	3,692	Sell	1,00,067	0.57
				20.04.18	1,000	Buy	1,01,067	0.57
				04.05.18	1,000	Sell	1,00,067	0.57
				11.05.18	12	Sell	1,00,055	0.57
				08.06.18	2,500	Buy	1,02,555	0.58
				15.06.18	1,738	Sell	1,00,817	0.57
				22.06.18	762	Sell	1,00,055	0.57
				17.08.18	450	Buy	1,00,505	0.57
				24.08.18	2,093	Buy	1,02,598	0.58
				31.08.18	4,735	Sell	97,863	0.55
				07.09.18	810	Sell	97,053	0.55
				13.09.18	500	Buy	97,553	0.55
				29.09.18	13	Buy	97,566	0.55
				05.10.18	39,349	Sell	58,217	0.33
				12.10.18	937	Sell	57,280	0.32
				26.10.18	50,000	Sell	7,280	0.04
				02.11.18	7,280	Sell	-	0.00
				31.12.18	1,937	Buy	1,937	0.01
				04.01.19	1,937	Sell	-	0.00
				22.03.19	300	Buy	300	0.002
				31.03.19			300	0.002
12	#GOPINATH MOHANTI	1,01,115	0.57	01.04.18				
				08.03.19	70,000	Sell	31,115	0.18
				15.03.19	7,000	Sell	24,115	0.14
				31.03.19			24,115	0.14

**(v) Shareholding of Directors & KMP**

SL NO	NAME OF THE SHAREHOLDER	SHAREHOLDING AT THE BEGINNING OF THE YEAR		DATEWISE INCREASE/DECREASE IN THE SHAREHOLDING DURING THE YEAR SPECIFYING THE REASONS FOR INCREASE/DECREASE (E.G. ALLOTMENT/ TRANSFER/BONUS/ SWEAT EQUITY ETC)			CUMULATIVE SHAREHOLDING DURING THE YEAR (01/04/18 TO 31/03/19)	
		No. of shares at the beginning of the yr (01/04/18)/ end of the yr (31/03/19)	% of total shares of the Company	No. of shares	Reason	No. of shares	% of total shares of the Company	
<b>A. DIRECTORS</b>								
1	Mr. Makrand M. Appalwar Chairman & Managing Director	38,25,150 38,25,150	21.62 21.62	01.04.18 31.03.19	0 0	Nil movement during the year	38,25,150	21.62
2	Mrs. Rinku M. Appalwar Executive Director & CFO	22,97,360 22,97,360	12.98 12.98	01.04.18 31.03.19	0 0	Nil movement during the year	22,97,360	12.98
3	Mr. Krishnan I. Subramanian Wholetime Director	50,000 50,000	0.28 0.28	01.04.18 31.03.19	0	Nil movement during the year	50,000	0.28
4	Mr. Prashant K. Lohiya Non-Executive Director	6,250 6,250	0.04 0.04	01.04.19 31.03.19	0 0	Nil movement during the year	6,250	0.04
5	Dr. Venkatesh G. Joshi Non-Executive Director	0 0	0.00 0.00	01.04.18 31.03.19	0 0	Nil movement during the year	0	0.00
6	Mr. Rama A. Krishnan Non-Executive Director	0 0	0.00 0.00	01.04.17 31.03.18	0 0	Nil movement during the year	0	0.00
<b>(B) KEY MANAGERIAL PERSONNEL (KMP'S)</b>								
1	Mr. Makrand M. Appalwar Chairman & Managing Director	38,25,150 38,25,150	21.62 21.62	01.04.18 31.03.19	0 0	Nil movement during the year	38,25,150	21.62
2	Mrs. Rinku M. Appalwar Executive Director & CFO	22,97,360 22,97,360	12.98 12.98	01.04.18 31.03.19	0 0	Nil movement during the year	22,97,360	12.98
3	Mr. Kaushal Patvi (Company Secretary & Compliance Officer)	0 0	0.00 0.00	01.04.18 31.03.19	0 0	Nil movement during the year	0	0.00

**V INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	(Rs. in millions) Total Indebtedness
Indebtness at the beginning of the financial year			
i) Principal Amount	968.14	-	968.14
ii) Interest due but not paid	3.10	-	3.10
iii) Interest accrued but not due			
Total (i+ii+iii)	971.24	-	971.24
Change in Indebtedness during the financial year			
Additions	146.21	-	146.21
Reduction	69.40	-	69.40
Net Change	76.81	-	76.81
Indebtedness at the end of the financial year			
i) Principal Amount	1,044.95	-	1,044.95
ii) Interest due but not paid	2.79	-	2.79
iii) Interest accrued but not due			
Total (i+ii+iii)	1,047.54		1,047.54

## REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

## A. Remuneration to Managing Director, Whole time director and/or Manager:

Sl No.	PARTICULARS OF REMUNERATION	NAME OF THE MD/WTD/DIRECTOR		TOTAL AMOUNT (Rs.)
		Makrand. M. Appalwar	Rinku. M. Appalwar	
1	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	78,00,000	72,00,000	1,50,00,000
(b)	Value of perquisites u/s 17(2) of the Income tax Act, 1961	39,600	39,600	79,200
(c)	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock option	-	-	-
3	Sweat Equity	-	-	-
4	Commission as % of profit	-	-	-
	others (specify)	-	-	-
5	Others, please specify	-	-	-
	Total (A)	78,39,600	72,39,600	1,50,79,200

## B. Remuneration to other directors:

Sl No.	PARTICULARS OF REMUNERATION	NAME OF THE DIRECTORS			TOTAL AMOUNT (Rs.)
		Prashant K Lohiya	Rama A Ksirhnan	Venkatesh G. Joshi	
1	Independent Directors				
(a)	Fee for attending board/ committee meetings	88,000	66,000	66,000	2,20,000
(b)	Commission	-	-	-	-
(c)	Others, please specify	-	-	-	-
	Total (1)	88,000	66,000	66,000	2,20,000
2	Other Non Executive Directors				
(a)	Fee for attending board/ committee meetings	-	-	-	-
(b)	Commission	-	-	-	-
(c)	Others, please specify.	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	88,000	66,000	66,000	2,20,000
	Total Managerial Remuneration*				15,299,200

\* Total remuneration to Managing Director, Whole-Time Director and other Directors (being the total of A and B).

## C. Remuneration to key managerial personnel other than MD/Manager/WTD

Sl No.	PARTICULARS OF REMUNERATION	KEY MANAGERIAL PERSONNEL			TOTAL AMOUNT (Rs.)
		Managing Director (Makrand M Appalwar)	Chief Financial Officer (Rinku. M Appalwar)	Company Secretary (Kaushal Patvi)	
1	Gross salary				
(a)	Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	78,00,000	72,00,000	11,76,005	1,61,76,005
(b)	Value of perquisites u/s 17(2) of the Income tax Act, 1961	39,600	39,600	-	79,200
(c)	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission as % of profit	-	-	-	-
	others (specify)	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	78,39,600	72,39,600	11,76,005	1,62,55,205

**VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

TYPE	SECTION OF THE COMPANIES ACT	BRIEF DESCRIPTION	DETAILS OF PENALTY/PUNISHMENT/COMPOUNDING FEES IMPOSED	AUTHORITY (RD/NCLT/COURT)	APPEAL MADE IF ANY (GIVE DETAILS)
<b>A. COMPANY</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>B. DIRECTORS</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

**ANNEXURE 2 TO THE DIRECTORS' REPORT**

**Business Risk**

Unforeseen factors, be it related to industry, regulations, and/or the economy could affect business in an adverse manner, that could lead to impairment to income and capital. Also in a capital-intensive industry, any downward swings in revenues could be detrimental to earnings.

Emmbi is not in an industry that is overtly exposed to governmental regulations, and the fact that we have been profitable since inception and is a regular dividend payer mitigates the business risk to a large extent. We are outsourcing some non-core activities that would further improve the distribution of fixed costs. We consciously ensure that our production is not concentrated on one unit and is spread across five locations to mitigate any eventuality. We also maintain cordial and healthy relationship with workers, ensuring their safety and wellbeing.

**Financial Risk**

Emmbi's capital structure is very conservative, and its cash flows adequate to meet obligations when due. Also the fair value of assets, far exceed the book value providing additional buffer in the event of a remote outlier. We are also rated investment grade with a positive outlook on our debt, and are confident that in the next few years this would only improve given the growth in our business, and growth. In addition we do not rely on one lender, and have multiple banks, and are constantly engaging with newer banks in order to improve the financial efficiency of the Company.

**Liquidity Risk**

We maintain adequate cash at all times. Contrary to peers, we do majority purchases on an advance payment basis which helps us to get better buying power. Though we have ample liquidity, and do not lock up our operating cash flow in non-core or unproductive assets. Inventories and debtors are managed prudently, and impairments negligible. We have consistently paid dividend for previous eight financial years which also cements that Emmbi is a very liquid company.

**Single Product Risk**

Emmbi's product line is well diversified with over 40 products, and no single client contributes to more than 5% of total revenues. We have strategically reduced our dependence on low margin products.

**Single Geography Risk**

Emmbi exports to over 56 countries, and are not exposed to a single market or its vagaries. In the years to come we should be expanding the reach to more countries, and clients with establishment of our own offices.

**Foreign Exchange Risk**

Emmbi has a documented internal policy to hedge all its export revenues, and it has no exposure to foreign currency borrowings. The company also does not trade, or speculate in the foreign currency market or make any opportunistic positions.

**Enterprise Wide Risk**

We are compliant with international best practices, as can be noted from the continual certifications, and the periodic audits. The Management at Emmbi does not view risks in silos, however analysis, how it can impact the whole organisation. We have a very efficient ERP system that would also have a module for managing uncertainties. We have also got accredited as a certified R&D House by the Ministry of Science & Technology, Government of India, who have also commended us on our risk management practices.